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TESTIMONY OF RICHARD A. SODERMAN  
THE CONNECTICUT LIGHT AND POWER COMPANY  
and YANKEE GAS SERVICES COMPANY  
Energy and Technology Committee—March 8, 2011

**H.B. No. 6403 AN ACT CONCERNING UTILITY TERMINATION FOR HOUSEHOLDS WITH A MEMBER LESS THAN TWENTY-FOUR MONTHS OLD.**

Good afternoon. My name is Richard Soderman, and I am Director of Legislative Policy and Strategy for Northeast Utilities Service Company, appearing on behalf of the Connecticut Light and Power Company and Yankee Gas Services Company

Current law requires that no electric, electric distribution or gas company, no electric supplier and no municipal utility furnishing electricity or gas shall terminate or refuse to reinstate residential electric or gas service where the customer lacks the financial resources to pay his or her entire account and for which customer or a member of the customer's household the termination or failure to reinstate such service would create a life-threatening situation. The proposed bill would add to the protection criteria the condition of a child no more than twenty-four months residing in the customer's household and such customer is a hardship case. This protection would be put in place for the period October through June (the protection period for other "hardship" customers is November 1 through May 1). ***We oppose this proposed bill because 1) these customers are already protected from having their electric or gas service shut off during the winter protection period under existing statute and regulation; 2) it will be difficult to administer; and 3) it may provide a free ride on energy bills for customers who can afford to pay them, at the expense of higher rates for other customers.***

On its face, this bill appears to meet a need - nearly 13,000 children are born each year to mothers whose poverty status is determined and whose income falls below 200 percent of the poverty level<sup>1</sup>. However, these infants already receive substantially the same protection under

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<sup>1</sup> based on U.S. Census Bureau 2005-2009 American Community Survey 5-Year Estimates



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RCSA section 16-3-100 for the period November through May 1. If that is the case, then this proposal will add little value but substantially increase administrative costs.

Non-payment of energy bills is a growing cost of providing service, and it represents a burden on all other customers who must pay for those uncollected service costs. This burden amounts to \$51 million annually for CL&P and \$10 million annually for Yankee Gas. We oppose any extension of the existing moratorium, because this proposal would reduce the potential shut-off period from six months to four months, making it more difficult or perhaps impossible for these consumers to ever pay their bills (or even a substantial portion of it).

This proposed bill is troublesome for two other reasons. First, it will be very difficult or impossible to determine the actual residency of a child in a household, thereby creating an administrative barrier to program implementation. Which agency within the state would determine such residency? Does the child have to remain a resident during the entire time the utility service is restored, or could they move out immediately after service is restored? How long must the child be a resident of the household before it becomes eligible for service reinstatement? Can the child be any child, or does it have to be directly related to the customer seeking utility service? The administrative cost of this provision will be substantial.

Second, the proposed bill will ultimately result in higher uncollectibles for utility services and, as a result, require greater subsidies by other customers. The potential exposure for these households is about \$20 million (13,000 X 12 months X \$125/month), although actual increased write-offs are not known.

We oppose this bill just as municipalities are opposing the advent of numerous new legislative mandates—this mandate will result in higher energy bills for all other customers.

Thank you for the opportunity to present testimony on this bill.